

Communications

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Swiss National Bank to issue SNB Bills in US dollars

The Swiss National Bank (SNB) is introducing a new monetary policy instrument. It will issue its own debt certificates in US dollars (SNB USD Bills) with terms of less than one year. The instrument will be employed as of mid-February 2009 and will be used until further notice to finance the SNB's loan to the SNB StabFund.

The first auction of SNB USD Bills is to be held on Monday, 16 February 2009, from 10.00 a.m. to 10.30 a.m., via the Eurex Zurich Ltd electronic trading platform. After that, auctions of SNB USD Bills will be held once every two weeks. All parties who are authorised by the SNB to participate in both the CHF repo market and the primary and new issues market section of Eurex Zurich Ltd are eligible to take part in the auctions. These parties may also accept subscriptions from third parties. The auction will take the form of a variable rate tender with allotment according to the Dutch auction method. The denomination is USD 0.5 million and the SNB USD Bills are offered with terms of 28, 84 and 168 days.

SNB USD Bills will be included in the list of collateral eligible for SNB repos. Consequently, they may also be used in SNB repo transactions. Moreover, in accordance with art. 16 of the Banking Ordinance, these securities may be counted as liquid assets. The general issue conditions as well as the conditions applying to the individual issues and their results will be announced on the SNB website (www.snb.ch, *Financial markets, Monetary policy operations, SNB USD Bills*).